



K. Chad Burgess
Associate General Counsel

chad.burgess@scana.com

December 28, 2012

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29211

RE: South Carolina Electric & Gas Company - Annual Review of the Purchased Gas Adjustments and Gas Purchasing Policies; Docket No. 2006-5-G
Notification that cost of gas factors will not be adjusted for the January 2013 billing cycles

Dear Ms. Boyd:

By Order No. 2006-679 ("Order"), dated November 13, 2006, issued in the above-referenced docket, the Public Service Commission of South Carolina ("Commission") authorized South Carolina Electric & Gas Company ("SCE&G" or the "Company") to adjust its cost of gas factors monthly pursuant to Paragraph 4 of the Settlement Agreement adopted and approved by the Commission. Pursuant to the approved procedure and before the first billing cycle of each month, SCE&G recalculates its forecast total cost of gas factors to determine whether an adjustment should be made to the current cost of gas factors. If there is no Material Difference (this term is defined in Order Exhibit No. 1 and subsequently modified by Order No. 2009-910 issued in Docket No. 2009-G-5) between the newly recalculated gas cost factors and the gas cost factors currently in effect, then SCE&G has the discretion to adjust rates if it believes there would be a reasonable impact to customer bills. If the Company chooses not to adjust the gas cost factors currently in effect, then SCE&G is to notify the Commission, the South Carolina Office of Regulatory Staff ("ORS"), and the South Carolina Energy Users Committee ("SCEUC") that the existing cost of gas factors will remain in effect for the next billing cycle. If, however, a Material Difference exists or the Company chooses to exercise its discretion and adjust its rates, then SCE&G is to notify the Commission, ORS, and the SCEUC of the Company's intent to adjust its gas cost factors beginning with the first billing cycle in the next succeeding month.

In accordance with the approved procedure, the Company has recalculated its forecast total cost of gas factors to be effective with the Company's first billing cycle in January 2013. Based upon the Company's updated calculations, no Material Difference exists between the newly recalculated gas cost factors and the gas cost factors currently in effect. Moreover, SCE&G is not electing to exercise its discretion and adjust rates at this time. Therefore, for the

The Honorable Jocelyn G. Boyd

December 28, 2012

Page 2

January 2013 billing cycles, this letter serves as notification to the Commission that no adjustment will be made to the total cost of gas factors currently in effect.

By copy of this letter and in compliance with the Order, we are also notifying ORS and the SCEUC that the current total cost of gas factors will remain in effect for January 2013. In addition, we are providing them with copies of updated versions of Exhibits A and B evidencing that no Material Difference exists between the newly recalculated cost of gas factors and the factors currently in effect.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "K. Chad Burgess", with a stylized flourish extending from the end.

K. Chad Burgess

KCB/mcs

cc: John W. Flitter
Carey Stites
Brent Sires
Jeffrey M. Nelson, Esquire
Scott Elliott, Esquire

(All via first-class mail and electronic mail w/enclosures)

Exhibit A

SOUTH CAROLINA ELECTRIC AND GAS COMPANY
PROJECTED COMMODITY AND DEMAND COSTS
(OVER)/UNDER COLLECTION

	COMM COST PER THERM (COL. 1)	BILLING COMM COST PER THERM (COL. 2)	DIFFERENCE (COL. 3)	FIRM SALES THERMS (COL. 4)	COMMODITY (OVER)/UNDER COLLECTION (COL. 5)	CUMULATIVE COMMODITY (OVER)/UNDER COLLECTION (COL. 6)	DEMAND (OVER)/UNDER COLLECTION (COL. 7)	CUMULATIVE DEMAND (OVER)/UNDER COLLECTION (COL. 8)	TOTAL (OVER)/UNDER COLLECTION (COL. 9)	CUMULATIVE TOTAL (OVER)/UNDER COLLECTION (COL. 10)
BEGINNING BAL. @ December 12										
Jan-13	\$0.32771	\$0.36735	(\$0.03964)	40,865,837	(\$1,620,073)	\$1,302,058	(\$11,063,559)	\$3,874,862	(\$12,683,632)	\$5,176,919
Feb-13	\$0.25088	\$0.36735	(\$0.11647)	38,812,536	(\$4,520,466)	(\$318,016)	\$1,176,908	(\$7,188,697)	(\$12,683,632)	(\$7,506,713)
Mar-13	\$0.28666	\$0.36735	(\$0.10069)	28,061,248	(\$2,825,560)	(\$4,838,482)	\$2,366,290	(\$6,011,789)	(\$3,343,558)	(\$10,850,271)
Apr-13	\$0.29500	\$0.36735	(\$0.07235)	15,362,899	(\$1,111,442)	(\$7,664,041)	\$1,530,511	(\$3,645,499)	(\$459,269)	(\$11,309,540)
May-13	\$0.34460	\$0.36735	(\$0.02274)	10,007,170	(\$227,508)	(\$8,775,483)	\$2,154,441	(\$2,114,988)	\$419,069	(\$10,890,471)
Jun-13	\$0.28395	\$0.36735	(\$0.08340)	8,233,148	(\$686,669)	(\$9,003,091)	\$2,213,625	\$39,454	\$1,926,834	(\$8,963,637)
Jul-13	\$0.36780	\$0.36735	\$0.00045	7,419,077	\$3,331	(\$9,689,760)	\$1,576,155	\$2,253,079	\$1,526,967	(\$7,436,681)
Aug-13	\$0.49195	\$0.36735	\$0.12460	7,848,800	\$977,972	(\$8,708,457)	\$2,925,775	\$3,829,234	\$1,579,486	(\$5,857,195)
Sep-13	\$0.41389	\$0.36735	\$0.04654	8,351,531	\$388,708	(\$8,319,749)	\$677,811	\$6,755,009	\$3,903,747	(\$1,953,448)
Oct-13	\$0.59771	\$0.36735	\$0.23036	9,085,222	\$2,092,841	(\$6,226,908)	\$20,618	\$7,432,819	\$1,066,518	(\$886,930)
Nov-13	\$0.60380	\$0.36735	\$0.23645	15,119,540	\$3,574,968	(\$2,651,941)	\$2,0618	\$7,453,437	\$2,113,459	\$1,226,529
Dec-13	\$0.45684	\$0.36735	\$0.08950	29,631,903	\$2,651,941	\$0	(\$4,370,017)	\$4,370,016	\$491,547	\$1,719,076
						\$0		(\$1)		\$0
Total				218,798,911	(\$1,302,058)		(\$3,874,862)		(\$5,176,921)	

Exhibit B

**South Carolina Electric and Gas Company
Development of DCOG, CCOG and Total Cost of Gas Factor**

January 2013	Residential	SGS / MGS	LGS
DCOG Factor	\$0.30009	\$0.17961	\$0.15010
CCOG Factor	\$0.32841	\$0.32841	\$0.32841
Total Cost of Gas Factor	\$0.62850	\$0.50802	\$0.47851